

Raspberry Interactive Budget: A Tool for Development of Sound Business Plans

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Estimating the costs of production and conducting what-if analyses around costs, revenues and production levels are important components for planning and for financial management of raspberry production. Although many raspberry producers develop their own budgets, some prefer to begin with existing budgets and adjust them according to their specific situation. The budget developed in this project serve as a starting point for the latest group.

Commercial raspberry production with high tunnels offers promise for those producers willing to make the necessary capital investment for early and/or late season production. Consequently, tools that help producers in estimating the costs of production and in conducting sensitivity analyses around total costs and net returns are important components for planning and for financial management of raspberry production in Arkansas.

An interactive enterprise budget for raspberries was developed to allow comparisons among net returns and total costs associated with different production practices (including field and high tunnels) and different cultivars. Sample costs for labor, materials, equipments and custom services were based on current figures gathered at the University of Arkansas Agricultural Research and Extension Center, Fayetteville, AR. The practices described are based on production procedures considered typical for northwest Arkansas. Information was placed into an Excel spreadsheet to make the budget interactive.

Producers select interest rate, inflation rate, planting density, expected prices, marketing plan and the production system (field or high tunnel production); then the budget is calculated automatically. Graphical options provide visual explanations of costs, revenues and net returns under different scenarios chosen by the user. Users can review information for any given production year or for the expected life of the orchard.

Producers could estimate several budgets by using default cost values, by entering their own farm values or by combining both. The budgets calculate automatically total cost per year, breakeven analyses for yield and price and a sensitivity analyses for total cost and net returns. Allowing comparisons among different cultivars and production systems (field and high tunnels) would assist raspberry producers to make better planning and financial decisions.